



It's difficult to calculate the damages and economic losses resulting from a wildfire because they are so extensive and multi-faceted.

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## CRAWFORD & COMPANY (CANADA)

# Wildfires: An Adjuster's Perspective

**W**ildfires can be human-made or naturally occurring, and their devastation can extend across vast land areas, leaving behind nothing but a trail of ash and smoke. According to statistics prepared by Natural Resources Canada, about 8,000 to 10,000 wildfires occur yearly in Canada, burning roughly 2.5 million hectares of land per year.

They occur predominately in forested and grassland areas. In Canada, the regions with the greatest occurrence of wildfires are B.C. and the boreal forest, which spans the Prairie provinces, Ontario, Quebec, Yukon and the Northwest Territories.

It's difficult to calculate the costs associated with wildfires, which may include

damages and economic losses. Information provided by Natural Resources Canada says the average fire suppression costs range from \$500 million to \$1 billion annually.

The May 2011 wildfire that engulfed Slave Lake, Alta. serves as testament to the widespread destruction generated by wildfires. Winds pushed the flames into town, destroying nearly one-third of the homes and businesses. The Insurance Bureau of Canada reports that the cost of damages associated with the event exceeded \$700 million, with \$400 million in insurable losses.

As a result of the sheer magnitude of a wildfire loss, the overall management of such an event is extensive and multi-faceted. The essential role of the loss adjuster in such situations is vast and far-reaching. There are critical elements to address to

effectively mitigate the loss, which will be explored in this article using the back-drop of the Slave Lake wildfire.

### **Pre-planning**

Everything from personal protective equipment to mobile claim command centres is vital to an efficient and effective response to any claims catastrophe, including wildfires. Having prearranged, regionally sited equipment for these types of events is necessary for any well-prepared loss adjusting or risk mitigation organization.

Greg Thierman, manager of Global Technical Services at Crawford & Company Canada's Kelowna office, has years of experience responding to such events.

"Our ability to promptly establish and equip a local command centre during the Slave Lake fire," he says, "provided us with tactical advantages and ena-

bled us to quickly deploy the necessary resources.”

### **Cooperation**

The field adjuster plays a crucial role in the management and coordination of the various parties involved in handling the response. Ensuring cooperation between all parties, from government officials, the insured and the insurer to restoration firms and vendors, is critical to managing such losses. Integrated into the adjudication process in such scenarios is project management, damage assessment and overall management of the emergency situation.

“Working collaboratively and communicating effectively are the best possible outcomes,” Thierman says. “Daily meetings between government and insurance representatives in the early stages helped keep everyone on the same page.”

Illustrating this idea further is Len Raymond, adjuster with Global Technical Services at Crawford’s Edmonton branch.

“The schools deemed ‘critical infrastructure’ by the government took precedence in terms of assessment and

restorative efforts,” Raymond says. “My team and I worked with officials to determine which schools could have emergency repairs completed. When working with community leaders, government officials, school boards and restoration contractors, it was necessary to balance priorities. Without the support of our partners, the task could not have been completed to such a degree that ensured the facilities were ready and operational in time to allow for the return of students.”

### **Operations training**

With limited access to electronic equipment and supplies, field adjusters rely heavily on their knowledge and expertise to effectively mitigate the loss and overcome challenges. Experience and formal technical training forms the basis of the knowledge and expertise a field adjuster requires to effectively handle these complex losses.

Navigating through wildfire zones often presents unique challenges. Burnt areas which may appear safe pose considerable risk. Residual heat can be trapped in the ground or in burnt stumps. Trapped heat

combined with moisture contained in the stumps can create steam. The build up of steam pressure can cause the ground to explode, spraying wood splinters and causing injury. There is also risk for collapse of dead trees and other debris.

During the Slave Lake wildfire, Raymond was tasked with the assessment and oversight of the restoration of the local hospital. Having served in the Canadian Armed Forces and having extensive large-loss experience prior to this event provided him with the preparation required to enter and operate in the hostile Slave Lake environment. He used his past training and knowledge to make informed, educated decisions.

Wildfires constitute a natural hazard that will continue to occur, often resulting in large, complex losses. The effective management of these situations, including pre-planning, the coordination of the various parties involved, and the application of hazardous operations training and knowledge, is imperative to the effective and efficient resolution of these types of losses and the progression of restorative efforts. **IP**

From the July 2015 edition of **Insurance People**